

**MINUTES OF THE
CAPITAL FACILITIES & GOVERNMENT OPERATIONS
APPROPRIATIONS SUBCOMMITTEE MEETING
THURSDAY, FEBRUARY 11, 2010, 2 P.M.
Room 250 Capitol Building**

Members Present: Sen. Curtis Bramble, Co-Chair
Rep. Stephen Clark, Co-Chair
Sen. Wayne Niederhauser
Rep. Stephen Sandstrom
Rep. Laura Black
Rep. Janice Fisher
Rep. Craig Frank
Rep. Gage Froerer
Rep. Fred Hunsaker

Member Excused: Sen. Brent Goodfellow

Member Absent: Rep. Brad Dee

Staff Present: Richard Amon, Fiscal Analyst
Gary Ricks, Fiscal Analyst
Henry Liu, Committee Secretary

Public Speakers Present: Gregg Buxton, Director, DFCM
Bob Thompson, Administrator, CSRB
Jeff Herring, Executive Director, DHRM
Kim Hood, Director, DAS
John Reidhead, CFO, DAS
Kent Beers, Director, DAS
Allyson Gamble, Director, CPB
Steve Fletcher, Director, DTS
Dave Walsh, CCJJ
Debbie Johnson, Department of Public Safety

Speaker and Visitor List in Minutes pack.

Co-Chair Bramble called the meeting to order at 2:25 p.m.

1. **Capital Preservation Board** - Allyson Gamble, Director of CPB explained with the General Fund base budget set at \$3.192 million, it does not cover the \$3.6 million authorized by DFCM to take care of the capital hill complex. DFCM agreed to lower their rate from \$3.6 million to \$3.365 million but the amount still falls short to be sufficient for the agency to operate.

Ms. Gamble explained factors that attribute to this problem. Dedicated credits are set at \$561,000, in projection made by the board at \$450,000 results in a shortage of \$111,400 of dedicated credit. O&M operating at the contracted level set by DFCM result in a shortage of \$172,900. Under personal expenses, there were 2 part-time FTEs unaccounted for and an employee reflected in the budget which shouldn't have been included. And with 5% reduction to the budget amount of \$157,900, the total result of \$527,200 shortfall.

Analyst Gary Ricks explained that S.B. 1 has cleared the Legislature for the Governor to approve. Reiterating that under S.B. 1, a 2% across board reduction against on going FY 2010 General Fund, the 5% prioritization list among the agencies was put in place to offset problems such as the CPB shortfall and fiscal issues.

2. **Jail Reimbursement Report** - Analyst Ricks explained that the last Legislative session, the Legislature moved the Jail Reimbursement Program from the Department of Corrections to be specifically funded as a finance mandated item. An oversight was applied to the Commission on Criminal & Juvenile Justice. The bill empowers CCJJ to assess jail reimbursement needs on or around September 15th for finance allocation.

Dave Walsh from Criminal Courts Juvenile Justice explained that the jail reimbursement occurs when an individual is sentenced to the Utah Department of Corrections and then the sentence is suspended on the condition of probation the individual can spend 365 days in jail, the reimbursement goes to the deferment of that cost.

Mr. Walsh reports that the Utah Sentencing Commission is looking into making guidelines more uniform across Utah of how long individuals are being sentenced as a condition of probation.

Rep. Clark inquired as to why Jail Reimbursement is involved with the CFGO committee.

Mr. Walsh explained that a year ago funds flowed through DOC and Executive Office of Criminal Justice subcommittee based on HB220. The CFGO is under the umbrella of the Department of Finance, having Jail Reimbursement moved to the CFGO will help with the negotiation of contracts.

3. **State Office of Debt Collection Report** - Analyst Ricks reported that OSDC program is not appropriated funds from the Legislature but it is given authority by the Legislature to expend from collections. Fiscal information of a base budget from dedicated credits of \$1.3 million, 6.5 FTE and FY 2011 anticipated retained earnings of \$40,000.
4. **DAS Legislation Report by Agency** - Kim Hood, Director of DAS explained a plan to expand the Internal Service fund model. DAS' rates in terms of equipment and supplies are much lower, so instead of various entities contracting to separate companies with higher rates, customers such as counties, cities, state agencies, school districts, Higher

Education and local governments contract with DAS to save money.

Kent Beers explained that State Purchasing has 650 cooperative contracts and procures the contracts on the customers behalf, giving the institution savings and saving personal shopping around for the best rate. DAS benefits by charging an administrative fee of 1/4 of 1% to a maximum of 1% to the companies for the use of the contracts which will be returned to the General Fund and also in exchange, the state receives buying power from all the local governments.

5. **Prioritization & Finalization and Vote 5% Reduction List for FY 2011** - Analyst Rich Amon explained the CFGO target of 5% given by EAC of \$7,318,100. The Capital Facilities & Gov. Ops. Appropriations Subcommittee FY2011 Priorities list address that amount.

MOTION: Rep. Clark moved to pass Capital Facilities & Government Operations Appropriations Subcommittee FY2011 priorities list of 5% reductions. Rep. Clark moved to approve analysts' prioritization of the FY2011 5% reduction list. Rep. Clark moved to approve the DTS Internal Service fund request for FY2011. Rep Clark moved to approve analyst recommendation.

Motion passed unanimously with Sen. Goodfellow, Rep. Sandstrom and Rep. Dee absent from the vote.

6. **Prioritization & Action on Capital Facilities & Debt Service**

MOTION: Rep. Frank moved to accept the analyst recommendation on page 4 of the Debt Service Brief.

Motion passed unanimously with Sen. Goodfellow, Rep. Sandstrom and Rep. Dee absent from the vote.

MOTION: Rep. Clark moved to recommend bonding to the EAC for the following facilities: Planning and design of the State Hospital Building at a cost of \$2 million, UVU Science/Health Science Building at a cost of \$49,767,000, DSC Jeffery R. Holland Centennial Commons at a cost of \$35 million and National Guard Upgrades & Repairs to Armories at a cost of \$4 million. The motion included a proposal of how to fund the associated debt service.

Motion passed unanimously with Sen. Goodfellow and Rep. Dee absent from the vote.

MOTION: Rep. Fisher moved to add substitute motion to add courts to the Projects for Bonding list.

Motion failed, Rep. Black and Rep. Fisher voted in favor, Sen. Bramble, Rep. Clark,

Rep. Frank, Rep. Froerer, Rep. Hunsaker and Sen. Niederhauser voted in opposition with Rep. Dee, Sen. Goodfellow and Rep. Sandstrom absent from the vote.

7. **DPS on Ogden Drivers' License Building** - Debbie Johnson of the Department of Public Safety explained that the current Ogden drivers' license building is too small to handle the traffic of people and the basement of the building doesn't meet the standards of the safety code. Ms. Johnson proposed a new building to be built on the same property for the amount of \$3.29 million.

Sen. Bramble addressed the negative issues of the public renewing driver licenses. \$1.2 million from the restricted account was put into adding 24 FTEs to the Ogden division to process driver licenses.

MOTION: Rep. Clark moved to approve non-lapsing funds for construction of a new building for Ogden Driver License division.

Motion passed unanimously with Rep. Dee, Sen. Goodfellow and Rep. Sandstrom absent from the vote.

Sen. Bramble reiterated that upon passing the FY2011 Capital Development Project Requests from "Other" Funding Sources list there will be no grants, expectation or commitment to O&M.

MOTION: Rep. Clark moved to pass FY2011 Capital Development Project Request from "Other" funding sources list, and not recommend approval for the USU Brigham City campus addition, the U of U School of Dentistry building and the USU Art Barn.

Motion passed unanimously with Sen. Goodfellow and Rep. Dee absent for the vote.

Rep. Fisher recommended to the committee a metrics or formula of some kind to better determine and decide what buildings and projects to fund, in order to limit politics and create a fairer process.

MOTION: Rep. Frank moved to research formulas and metrics for capital development prioritization and funding for the appropriation committee.

Motion passed unanimously with Sen. Goodfellow and Rep. Dee absent for the vote.

MOTION: Rep. Black moved to adjourn.

The meeting was adjourned at 4:55 p.m. by Co-Chair Bramble.

The minutes were reported by Henry Liu, Committee Secretary.

Sen. Curtis Bramble _____ Rep. Stephen Clark _____